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C O N F I D E N T I A L SECTION 01 OF 03 KUWAIT 000669

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NEA/ARP

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SUBJECT: AMBASSADOR SATTERFIELD DISCUSSES IRAQ WITH PM AND

FM

Classified By: Ambassador Deborah K. Jones for reasons 1.4 (b) and (d)

- 11. (C) SUMMARY: S/I Ambassador Satterfield briefed Kuwaiti Prime Minister, Shaykh Nasser Al-Mohammad Al-Ahmed Al-Jaber Al Sabah and Foreign Minister, Shaykh Dr. Mohammad Sabah Al-Salem Al Sabah June 12 on the current situation in Iraq. Ambassador Satterfield highlighted the recent successes in Basrah, Mosul and Sadr City as evidence of tangible progress being made both on extending the rule of law and pushing back on Iran. He stressed the importance of increased regional engagement in Iraq to help build on the positive developments of the past year and encouraged the GOK to move on establishing an embassy in Baghdad. Satterfield advised that Iraqi PM Maliki did not appear to be pressing for an end to extant UNSCR Chapter 7 mandates at this time apart from Resolution 1790. The PM stressed the need for resolution of outstanding Kuwait-Iraq issues, including disputed border demarcations and Iraq Airways debt. He opined that it was unlikely the Parliament would be amenable to reducing Iraqi debt or compensation and stated that the two countries had agreed to name their respective ambassadors simultaneously.
- 12. (C) Ambassador Satterfield also briefed on Maliki's recent trip to Tehran, his account of a difficult meeting with Khameinei regarding a long-term Iraq-U.S. strategic relationship, and Maliki's assurance that he would continue to press for an agreement with the U.S. because it was in Iraq's best interest. When presented with evidence of weapons being smuggled into Iraq, Khameinei pleaded ignorance and promised to investigate further. Maliki also made clear to Khameinei his intention to rid Iraq of illegal armed groups.
- 13. (C) The PM characterized Syrian President Bashar Al-Asad's recent visit as successful and from discussions with Syrian FM Waleed Al-Muallem, said he believed Asad was ready to reconcile with his neighbors. Muallem also told the PM that Syria is ready to establish diplomatic ties with Lebanon and will extend an invitation (through Kuwait) to Lebanese PM Siniora after the new Cabinet is formed to visit Syria. END SUMMARY.

OVERVIEW OF CURRENT SITUATION IN IRAQ

13. (C) Ambassador Satterfield briefed Kuwaiti PM and FM June 12 on the current situation in Iraq. He explained that following successful operations in Basrah and Sadr City, ongoing operations against AQI in Mosul, and an impending campaign planned in Amarah/ Maysan, security and support for the state challenging illegal armed groups had increased significantly. Ambassador Satterfield said that if present trends continued, including better budget execution/provision of essential services and jobs as well as sustained efforts

on Sunni outreach/reconciliation, there was reason to be optimistic about Iraq's future. In this context, it was important that provincial elections be held before the end of the year - with every expectation of significant voter turnout, both Sunni and Shia. The Prime Minister opined that the Sunnis had made "a grave mistake" by boycotting the previous elections, but had earned his respect for acknowledging this mistake and moving forward. The PM also stated that he respects Maliki and the GOK fully supports the GOI. He remarked that resolving outstanding Kuwait-Iraq issues would make it easier for the FM to push the Parliament to support additional assistance for Iraq.

14. (C) Attributing the success of the GOI in pushing back on the Jaysh al-Mahdi and the Iranian-backed Special Groups in Basrah and Sadr City to Iran overplaying its hand and miscalculating the reaction of the Iraqi people, Ambassador Satterfield stressed the importance of regional engagement in Iraq to support the GOI and continued international pressure on Iran. Iran was being compelled to adapt to circumstances in Iraq much less to its liking than previous; it was important that pressure was sustained in order to make that adaptation strategic and enduring rather than tactical. The FM expressed concern about the regional security arrangement the EU is proposing and asked "what do the Euros have up their sleeves?" He said that he queried EU Secretary General, Javier Solana, directly but that Solana could offer him no details.

RESOLVING OUTSTANDING KUWAIT-IRAQ ISSUES

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- 15. (C) Ambassador Satterfield told the PM and FM that Maliki had clarified that UNSCR 1790 was the only Chapter VII mandate he was seeking to end (not/not the other free-standing Chapter VII UNSCRs). His focus on "Chapter VII" issues was upon how to protect Iraqi assets from international claims; the GOI was now considering its options either to pursue bilateral/multilateral arrangements with potential creditors or to request a new UNSCR Chapter VII resolution whose sole purpose would be to grant immunity to the Development Fund for Iraq DFI.
- 16. (C) Ambassador Satterfield queried the PM about Kuwaiti action on Iraqi debt forgiveness and possible forgiveness or reduction in the percentage of payment on Iraqi compensation to Kuwait. The PM replied that both issues would have to be approved by Parliament. The PM stated that these were "difficult subjects" for the GOK and the Parliament and that it was highly unlikely that MPs would take positive action on either. The FM noted that in light of a recent decision by Parliament not to forgive outstanding debts of Kuwaitis, it would be impossible to attempt to reduce the debt of another country.
- 17. (C) Turning to what he termed the highest priority bilateral issue for Kuwait, the PM briefed Ambassador Satterfield on a conversation he had with Maliki at the April 22 Iraq Neighbors Ministerial re completing work on border demarcation including sending an Iraqi delegation to Kuwait to "see the facts" regarding Iraqi allegations regarding dispossession of Iraqi farmers/Iraqi farms on Kuwaiti land near Umm Qasr. It was important that Iraqi move now to fulfill its UN-mandated responsibility to fund the construction of four remaining border "posts." The GOK stands ready to resolve this issue and would like to "finish it" as quickly as possible. The PM asked Ambassador Satterfield to remind Maliki of his promise to send a team "immediately" to resolve the disputed border demarcation.
- 18. (C) The PM was positive about a resolution to the Iraq Airways/Kuwait Airlines claim (totaling \$1.4 billion). He

speculated that Parliament might agree to a compensation deal offered by the Iraqis that included USD 150 million and a commercial aviation cooperation agreement (NOTE: Details of the agreement are unclear but would likely include: use of international airports in Baghdad, Basrah and Najaf, profit sharing and a friendly skies agreement). He said this issue would likely be easier to resolve than debt/compensation, and although there is no guarantee, he felt the proposal would likely receive approval in Parliament.

19. (C) With regard to sending an ambassador to Baghdad, the PM reiterated the GOK stance that both countries should name their respective ambassadors simultaneously, claiming that was per Iraq's prior request. The FM added that the Kuwaiti ambassador had been identified for some time (Gen. (Ret.) Ali Al-Mo'min) and that they have been waiting for two years for the Iraqis to name theirs. The PM indicated that the GOK was ready to send their ambassador and acquire property in the Green Zone for their embassy immediately. Ambassador Satterfield and Baghdad PolCouns Tueller extended an invitation for a Kuwaiti delegation to visit Baghdad and inspect the villa that has been designated as Kuwait's temporary embassy.

PM MALIKI'S VISIT TO TEHRAN

110. (C) Briefing the PM and FM on Maliki's recent visit to Tehran, Ambassador Satterfield said that Maliki reported unyielding opposition to an Iraq-U.S. strategic relationship by Iran's Supreme Leader Ayatollah Ali Khameinei and IRGC-QF Commander Suleimani. Maliki had stressed to the U.S., however, that a strategic relationship with us was in the best interest of his country and had made that point to the Iranians - noting that such a relationship should not be seen as a threat to any country, including Iran. Maliki presented Khameinei with Iraqi evidence that Iranian weapons were being smuggled into Iraq from Iran. Unlike previous responses to similar allegations, Khameinei and Suleimani's reaction was not one of denial, but a pleading of ignorance and shock. Khameinei had sworn that he did not know that weapons were crossing the border into Iraq and assured that he would investigate who was responsible. Exploiting the successes in Basrah and Sadr City, and ongoing operations in Mosul, Maliki

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informed Khameinei of his intention to rid Iraq of illegal armed groups and his determination to strike any group that defies the government. Maliki warned that the government would confront the Jaysh al-Mahdi, regardless of affiliations with Iran, if it challenged the GOI.

PRESIDENT ASAD'S VISIT TO KUWAIT

111. (C) The PM described Syrian President Bashar Al-Asad's visit as a successful one. Asad's main objectives during the visit were to thank the Amir, Shaykh Sabah Al-Ahmed Al-Jaber Al Sabah, for his attendance at the March 29 Arab League Summit in Damascus and to ask for his help to mend relations between Syria and both Saudi Arabia and Egypt. The PM noted that most Arab leaders had been friends with Asad's father and regarded Bashar "as a son they wanted to look after". With the exception of Syrian Foreign Minister Waleed Al-Muallem, however, the PM stated that Asad's "entourage is bad." He said Muallem informed him during their visit that Asad "has changed" and was moving to distance himself from such close associates as Mohammed Nassif-Khayrbek and Farouq al-Shara. Ambassador Satterfield cited continued Syrian failure to halt the operation of foreign fighter flows into Iraq; the PM said that neither this issue nor Hizbollah's actions in Beirut had been raised during Assad's visit.

112. (C) Citing Asad's renewed focus on the economy and

relations with neighbors, Muallem stated that Asad was willing to establish diplomatic relations with Lebanon. He said that after formation of the new Lebanese Cabinet, Asad wished to extend, through Kuwait, an invitation to Lebanese Prime Minister, Fouad Siniora, to visit Syria. The PM shared that he told Muallem to "surprise" the international community by reaching out and establishing ties soon. Another issue of great concern to Asad is the UN Special Tribunal (to investigate the assassination of Rafik Hariri), according to the PM, "it's making them crazy."